

MEANS TESTING THE AGE DEDUCTION (as requested)

**Department of Taxation
June 9, 2003**

MEANS TESTING THE AGE DEDUCTION

- The following estimate shows a potential impact of means testing the age deduction.
- The deduction would be based on the level of federal adjusted gross income for each taxpayer. For joint and separate filers, federal adjusted gross income would be used on a combined basis.
- The following table shows the amount of the deduction as it corresponds with the relative federal adjusted gross income level:

FAGI	Age 62 – 64	Age 65 and Above
\$0 - \$34,999	\$6,000	\$12,000
\$35,000 - \$49,999	\$3,000	\$6,000
\$50,000 and above	\$0	\$0

- Assuming an effective date of taxable years beginning on and after January 1, 2004, the following table shows the estimated revenue impact of this proposal:

FY 2004	FY 2005	FY 2006
\$93.7 Million	\$190.8 Million	\$197.8 Million